

EXHIBIT C

PHASE I ENVIRONMENTAL SITE ASSESSMENT (ESA)



**105-107 KISCO AVENUE
MOUNT KISCO, NEW YORK 10549**

PREPARED FOR

BANKUNITED

PROJECT NO. M10408

MERRITT ENVIRONMENTAL CONSULTING CORP.

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ALL APPROPRIATE INQUIRY (AAI) PHASE I ENVIRONMENTAL SITE ASSESSMENT (ESA)

ASTM E1527-05

Site Address	105-107 Kisco Avenue Mount Kisco, New York 10549
Prepared for	BankUnited Esperante Corporate Center 222 Lakeview Avenue, Ste. 900 West Palm Beach, FL 33401 Attn: Ms. Michelle Burg
Prepared By	Merritt Environmental Consulting Corp. 77 Arkay Drive, Suite D Hauppauge, New York 11788 (631) 617-6200 www.merrittec.com
MECC Project No	Project M10408
Inspection Date	November 15, 2013
Summary Date	November 22, 2013
Final Report Date	December 2, 2013

4.1 EXECUTIVE SUMMARY

Merritt Environmental Consulting Corp. (MECC) was retained by BankUnited to conduct a Phase I Environmental Site Assessment (ESA) at 105-107 Kisco Avenue, Mount Kisco, New York 10549.

The on site investigation was conducted on November 15, 2013.

Based on our site reconnaissance, database review and historical investigation, the following Recognized Environmental Conditions (RECs) were noted at the time of our inspection.

A Recognized Environmental Condition means the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substance or petroleum products into structures on the property or into the ground, groundwater, or surface water of the property. The term includes hazardous substances or petroleum products even under compliance with laws.

ITEM

1	The current site consists of two (2) one-story warehouse buildings and one (1) two-story commercial/office building. Based on historical Sanborn fire insurance maps, the subject property has historically been occupied by a lumber mill, a garage, a painting shop, coal and wood sheds, an auto sales/service facility, and a woodworking facility. Without the benefit of a subsurface investigation we cannot determine if any contamination is present or if a Potential Vapor Encroachment Condition (PVEC) exists from the former site usage.
2	Historical Sanborn maps from 1916 to 1949 depict a 250-gallon gasoline tank associated with the subject property buried beneath Kisco Avenue. In addition, the 1916 map depicts the northeast portion of the subject property to contain a Standard Oil Company oil tank approximately 20 feet in diameter. Further evaluation is recommended to determine whether documentation regarding these tanks is available or if additional investigation (Phase II) is warranted.

NOTE: ADJOINING PROPERTIES

Based on historical Sanborn fire insurance maps, historical uses of the adjoining properties include coal and lumber yards, woodworking and metalworking facilities, and a rail line bordering the subject property to the east.

Our regulatory database review revealed no open spill events in the immediate vicinity of the subject property. In addition, any contamination discovered at the subject property originating at an adjoining property would need to be remediated by the responsible party.

In addition, no de minimis conditions were noted.

A de minimis condition is one that generally does not present a material risk of harm to public health or the environment and that generally would not be subject of an enforcement action if brought to the attention of appropriate governmental agencies (excluding local asbestos & lead situations).

The following Historical Recognized Environmental Conditions (HRECs) were identified in our database search/historical review.

A Historical Recognized Environmental Condition (HREC) is an environmental condition which in the past would have been considered a Recognized Environmental Condition (REC), but which may or may not be considered a recognized environmental condition currently. Such as a past release of any hazardous substances or petroleum products which has been remediated, with such remediation accepted by the responsible regulatory agency (for example, as evidenced by the issuance of a no further action letter or equivalent).

Two (2) Spill events occurred at the target property:

- | | |
|--|--|
| 1) Richards Home Center
105 Kisco Ave
Spill #9708149
Spill Date: 10/8/1997
Close Date: 2/23/2006
Remarks: During initial investigation at back portion of property, soil samples indicated strong odors of petroleum. | 2) Richards Home Center
105 Kisco Ave
Spill #1207041
Spill Date: 10/17/12
Close Date: 12/13/2012
DEC Memo: 2 pallets full of 1 gallon latex paint cans. Several looked like they were used for target practice, paint oozing from bullet holes. |
|--|--|

The spill cases have been closed by the New York State Department of Environmental Conservation (NYSDEC). On November 19, 2013, MECC submitted a Freedom of Information request to the NYSDEC for additional information regarding the subject property. The response received consists of the spill report forms, which confirm the above information.

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4.2) INTRODUCTION

4.2.1 PURPOSE

The report was prepared by Merritt Environmental Consulting Corp., whose purpose is to provide comprehensive Phase I Environmental Site Assessments (ESA) in accordance with American Society of Testing Materials (ASTM E 1527-05) standards for a Phase I Environmental Site Assessment. The survey personnel are trained in the field of Environmental Site inspections as Certified Environmental Specialist (CES) by the Environmental Assessment Association as well as asbestos investigators by the Federal Environmental Protection Agency and NY State.

4.2.2 DETAILED SCOPE OF SERVICES

For the Phase I Environmental Site Assessment (ESA), Merritt Environmental Consulting Corp. performed the following primary tasks:

- 1. Physical site inspection by Certified Environmental Specialists (CES) who traversed the interior and exterior areas of the site by foot, in addition to conducting a review of adjacent areas and their exteriors.*
- 2. Investigations of historical usage of site based upon:*
 - a. Interview of persons knowledgeable about the sites current and past usage.*
 - b. Review of historical sources provided*
- 3. Review of USGS geologic and 7.5 Minute Topographical Maps.*
- 4. Review of the federal and state environmental databases as per ASTM E1527-05 guidelines, as well as a review of pertinent information provided by local government records.*
- 5. Limited survey of site for the presence of electrical transformers that may contain Poly-chlorinated biphenyl (PCBs).*
- 6. Limited survey for the presence of friable asbestos containing material (ACM).*
- 7. Limited survey of site for the presence of lead based paint surfaces within common areas.*
- 8. Inspection of water supply, gas supply, garbage disposal practices, groundwater flow, storm and sanitary discharge methods.*
- 9. Review of Radon averages as published by the local and state regulatory agencies.*
- 10. Inspection for petroleum storage tanks, above and below grade, stored on site.*
- 11. Review of report by a senior certified environmental specialist (CES).*
- 12. Unless provided with a Bank Scope of Work (SOW) prior to inspection, no other items have been included.*

4.2.3 SIGNIFICANT ASSUMPTIONS

Information and records provided by the client and outside vendors retained by Merritt Environmental Consulting Corp. are assumed to be correct and complete.

4.2.4 LIMITATIONS AND EXCEPTIONS

The contents of this report are correct to our knowledge and belief. This report and conclusions stated herein are, however, limited to actual knowledge based upon a visual inspection of the Property, the examination of readily available public records concerning the current and prior use of the Property, and interviews with individuals knowledgeable about present and past property uses.

Merritt Environmental Consulting Corp. has performed this Phase I Environmental Site Assessment (ESA) of the Property in accordance with the detailed scope of work in section 4.2.2.

Merritt Environmental Consulting Corp. cannot guarantee that the Property is completely free of hazardous substances or other materials or conditions that could subject the Client to potential liability. The presence or absence of any such condition can only be confirmed through the collection and analysis of soil and groundwater samples, as well as through testing building materials that may contain asbestos or lead paint. This is beyond the scope of the investigation.

Merritt Environmental Consulting Corp. has no interest other than professional in this Assessment and neither its performance, nor compensation for same, is contingent upon the findings and recommendations that are represented herein.

Transfer Property Acts

Many states have enacted property transfer laws that require notification of environmental conditions to a buyer. This ESA is not designed to meet those parameters or determine if a transfer act applies to the subject site

4.2.5 SPECIAL TERMS AND CONDITIONS

There are no special terms or conditions to the content of the report that are in addition to the scope outlined in Section 4.2.2.

4.2.6 RELIANCE

This Phase I Assessment was performed at the client's request utilizing methods and procedures that are consistent with acceptable professional standards ASTM-E1527-05.

The report has been prepared for the sole use of MECC's client. No other party may use the report without the written authority of MECC.

4.3) SITE DESCRIPTION

4.3.1 LOCATION AND LEGAL DESCRIPTION

The property address is 105-107 Kisco Avenue, Mount Kisco, New York 10549. The legal site address is Section 69.65, Block 2, Lots 4 and 5. The site is located in the Mount Kisco section of Westchester County, New York.

4.3.2 SITE AND VICINITY GENERAL CHARACTERISTICS

The current site is situated on a plot size approximately 1.80 acres.

The current structure was built in 1980.

The weather conditions during our on-site inspection consisted of sunny skies. The temperature was approximately 56°.

4.3.3 CURRENT USE OF THE PROPERTIES

The current use of the site consists of two (2) commercial office units and a retail unit.

4.3.4 DESCRIPTIONS OF STRUCTURES, ROADS AND OTHER IMPROVEMENTS

A. The current site consists of two (2) one-story warehouse buildings and one (1) two-story commercial/office building, located on a plot size approximately 1.80 acres (building size is approximately 26,000 square feet). There are no basements or subbasements at the subject site. All utilities as well as the boiler room are located on the ground floor of the main building.

B. The site is located on the east side of Kisco Avenue between the corners of Hillside Avenue and Preston Way.

C. The heating/cooling system for this site is located on the roof and in the loading dock of the two-story building and is supplied by gas-fired HVAC units and gas-fired ceiling hung units. The warehouse buildings have no heating systems.

D. *STORM AND SANITARY DISCHARGE*

There are no on-site sanitary services such as cesspools or septic tanks located on the property. The sanitary discharge for the main building empties into the Mount Kisco sewer system located under Kisco Avenue.

E. *WATER SUPPLY*

The U.S. Environmental Protection Agency estimates that drinking water can comprise 20% or more of a person's total exposure to lead. Although lead in drinking water is rarely the single cause of lead poisoning, it can significantly increase a person's total lead exposure. Infants who are fed baby formula or drinks mixed with hot water from the tap are the most vulnerable to lead in drinking water. Lead solder can leach into the water supply. Standing water in the piping system can aid in the leaching process.

The EPA action level for lead in drinking water is 15 parts per billion, (PPB).

A sample with lead levels that equal or exceed 15 PPB is considered to have elevated levels of lead, and it is recommended that response action be taken. This response action may include additional testing, replacement of plumbing components, or an operations and maintenance program.

FINDINGS

A 2" copper water main enters the property from Kisco Avenue. The main is connected to a water meter located on the ground floor. The domestic water is supplied by Mount Kisco.

There are no private ground water wells servicing this property.

No testing of the water was conducted under this scope.

F. *GARBAGE DISPOSAL*

There are currently no active incinerators located on the property. The garbage to be disposed of is placed on the storage yard side of the buildings in portable cans with covers. These containers are picked up several times per week by private sanitation.

4.3.5 CURRENT USES OF THE ADJOINING PROPERTIES

North	2-story Commercial
South	Commercial
East	Railroad
West	Kisco Avenue / Commercial

4.4) USER PROVIDED INFORMATION

4.4.1 TITLE RECORDS

No title records were provided.

4.4.2 ENVIRONMENTAL LIENS

Merritt Environmental Consulting Corp. (MECC) has retained Environmental Data Resources (EDR) to conduct an Environmental Lien Search on the site. No environmental liens were indicated (See Appendix A).

4.4.3 SPECIALIZED KNOWLEDGE

No information regarding specialized knowledge was provided.

4.4.4 COMMONLY KNOWN OR REASONABLY ASCERTAINABLE INFORMATION

Merritt Environmental Consulting Corp. (MECC) has used the following New York State websites to research information on the subject property:

- PropertyShark.com

4.4.5 VALUATION REDUCTION FOR ENVIRONMENTAL ISSUES

No information regarding the valuation reduction for environmental issues was provided by the owner.

4.4.6 OWNER, PROPERTY MANAGER AND OCCUPANT INFORMATION

The current owner of the site is George L. Griffin, Jr. and Paul F. Carozza, which purchased the property in 1993.

The current occupants are two (2) commercial office units and a retail unit.

4.4.7 REASON FOR PERFORMING PHASE I

Merritt Environmental Consulting Corp. (MECC) was retained to perform a Phase I Environmental Site Assessment (ESA) as an agent for the lending institution (BankUnited).

4.4.8 OTHER/ADDITIONAL INFORMATION PROVIDED

No additional information was provided.

4.5) RECORDS REVIEW**4.5.1 STANDARD ENVIRONMENTAL RECORD SOURCES**

The federal government and New York State have compiled database lists of contaminated, potentially hazardous and regulated sites that may impact the subject property. Environmental Data Resources (EDR) has provided this information to Merritt Environmental Consulting Corp. (MECC).

4.5.2A DATABASE SEARCHES

The following Federal and State databases were reviewed by Merritt Environmental Consulting Corp. (MECC) on November 18, 2013, with the corresponding distance.

FINDINGS

The closest 10 sites have been included in Appendix A.

Due to the density of the area, several of the site printouts have been omitted from the report.

FEDERAL

Database	Radius Searched
1. Federal National Priority List	1 Mile
2. Federal CERCLIS list	½ Mile
3. Federal RCRA TSD facilities list	½ Mile
4. Federal RCRA generators list	Site & Adjacent Properties
5. Federal ERNS list	Site

National Priorities List (NPL) - list compiled by EPA pursuant to CERCLA 42 USC 9605(a)(8)(B) of properties with the highest priority for cleanup pursuant to EPA's Hazard Ranking System.

Findings: No sites located within a 1-mile radius.

Comprehensive Environmental Response Compensation and Liability Information System (CERCLIS) - the list of sites compiled by EPA that EPA has investigated or is currently investigating for potential hazardous substance contamination for possible inclusion on the National Priorities List.

Findings: No sites located within a ½-mile radius.

Resource Conservation Recovery Act (RCRA) Treatment Storage Disposal (TSD) facilities - those facilities on which treatment, storage, and/or disposal of hazardous wastes takes place, as defined and regulated by RCRA. Inclusion on the RCRA TSD list does not imply contamination has occurred at the site.

Findings: No sites located within a ½-mile radius.

Resource Conservation Recovery Act (RCRA) generators list - list kept by EPA of those persons or entities that generate hazardous wastes as defined and regulated by RCRA. Inclusion on the RCRA list does not imply contamination has occurred at the site.

Findings: No generators listed at property.
1 generator listed within a ¼-mile radius.

Emergency Response Notification System (ERNS) list - list of reported CERCLA hazardous substance releases or spills in quantities greater than the reportable quantity, as maintained at the National Response Center. Notification requirements for such releases or spills are codified in 40 CFR Parts 302 & 355.

Findings: Site not listed.

STATE AND LOCAL RECORDS

Database	Radius Searched
1. State lists of Haz. Waste Sites	1 Mile
2. State landfill/solid waste site lists	½ Mile
3. State leaking tank lists (LTANKS)	½ Mile
4. State registered tanks	¼ Mile

Department of Environmental Conservation (DEC) lists the contaminated sites throughout the State and classifies the degree of contamination. Number 1 being highly contaminated; number 5 being the least hazardous to the public.

code:

1. Causing or presenting an imminent danger of causing irreversible or irreparable damage to the public health or environment - immediate action required;
2. Significant threat to the public health or environment - action required;
- 2a. Temporary classification assigned to sites that have inadequate and/or insufficient data for inclusion in any of the other classifications;
3. Does not present a significant threat to the public health or the environment - action may be deferred;
4. Site is properly closed - requires continued management;
5. Site is properly closed, no evidence of present or potential adverse impact - no further action is required.

Findings: No sites located within a 1-mile radius.

Solid Waste Disposal Site - any place, location, tract of land, area, or premises used for the disposal of solid wastes as defined by state solid waste regulations. The term is synonymous with the term landfill and is also known as a garbage dump, trash dump or by similar terms.

Findings: No sites located within a ½-mile radius.

Spill Logs/LTANKS list – New York State Department of Environmental Conservation (NYSDEC) has a computerized list of spills that have occurred as of 1986, including the present status of the sites. In addition, the leaking tank (LTANKS) database was also reviewed for reported incidents in the area.

Findings: 42 LTANKS located within a ½-mile radius.
5 NY Spills located within a 1/8-mile radius.

Two (2) Spill events occurred at the target property:

- | | |
|---|---|
| <p>1) Richards Home Center
 105 Kisco Ave
 Spill #9708149
 Spill Date: 10/8/1997
 Close Date: 2/23/2006
 Remarks: During initial investigation at back portion of property, soil samples indicated strong odors of petroleum.</p> | <p>2) Richards Home Center
 105 Kisco Ave
 Spill #1207041
 Spill Date: 12/13/2012
 Close Date: 10/17/2012
 DEC Memo: 2 pallets full of 1 gallon latex paint cans. Several looked like they were used for target practice, paint oozing from bullet holes.</p> |
|---|---|

State registered tanks - state lists of storage tanks required to be registered under Subtitle I, Section 9002 of RCRA.

Findings: No registered tanks located on site.
10 registered tank sites located within a 1/4-mile radius.

4.5.2 ADDITIONAL RECORDS SEARCHED

Database	Radius Searched
1. Indian Reservation	1 Mile
2. Indian LUST	½ Mile
3. Indian UST	¼ Mile

The subject site is not listed in any of the additional database searches provided by Environmental Data Resources (EDR). No other environmental records were researched.

4.5.2B ORPHAN SITES

Our database review indicated several sites that cannot be positively plotted (orphan sites). A total of 20 sites were classified as orphans.

The subject site does not appear on the orphan list.

4.5.3 PHYSICAL SETTING SOURCES

A. BODIES OF WATER

The nearest body of water to the subject site is the Saw Mill River, which is approximately ½ of a mile south of the site.

B. GROUND WATER FLOW

Through information provided by EDR, hydrological data involving ground water flow has been obtained. Based on our findings, the hydrological groundwater flows in a southerly direction eventually emptying into the Saw Mill River.

C. ECOLOGICAL SENSITIVE AREA

Based on information provided by Environmental Data Resources (EDR), no designated wetlands are located in the immediate vicinity of the property.

SITE GEOLOGY AND TOPOGRAPHY

Information pertaining to the hydrogeologic setting in the vicinity of the subject property was obtained from a review of selected published documents and maps. United States Geological Survey (USGS) 7.5-minute Topographic Maps were used to characterize surface topography, water table elevation and drainage. Subsurface characteristics were obtained from USGS Surficial and Bedrock Geology Maps from the lower Hudson Sheet.

4.5.4 HISTORICAL USE INFORMATION ON THE PROPERTY

- A. Sanborn Fire Insurance maps** of the site and immediate area were available for the years 1890, 1896, 1904, 1910, 1916, 1925, 1932, 1942, 1949 and 1971. The maps indicate the following information:

1890-1904 Sanborn Maps

Site not depicted in detail.

1910 Sanborn Map

The southern portion of the subject property is labeled *NY Telephone Co's Pole & Reel Storage* and contains an undeveloped yard, 2-story building, wood sheds, and a coal shed. The northeast corner is labeled *Standard Oil Co.* and contains three (3) storage buildings. The northwest corner contains residential dwellings and a restaurant.

The site is bordered to the east by a rail line, to the south by a small street followed by a coal and feed company, to the west by Kisco Avenue followed by residences and a molding mill, and to the north by a residence and a warehouse.

1916 Sanborn Map

The southern portion of the subject property is contains a lumber mill, a garage, a painting shop, and coal and wood sheds. The northeast corner is labeled *Standard Oil Co.* and contains three (3) storage buildings and an oil tank approximately 20 feet in diameter. The northwest corner contains residential dwellings. In addition, there is a 250-gallon gasoline tank associated with the subject property buried beneath Kisco Avenue.

The site is bordered to the east by a rail line, to the south by a small street followed by a coal and feed company, to the west by Kisco Avenue followed by residences and a molding mill, and to the north by a residence and a warehouse.

1925 Sanborn Map

The southern portion of the subject property contains coal and lumber sheds, an auto sales and service facility, and a woodworking facility. The northern portion of the property contains residences and a railroad tool shed. In addition, there is a 250-gallon gasoline tank associated with the subject property buried beneath Kisco Avenue.

The site is bordered to the east by a rail line, to the south by a small street followed by a coal and lumber company, to the west by Kisco Avenue followed by residences and a lumber company, and to the north by the Young & Harlsted coal and building materials company.

1932-1949 Sanborn Maps

The southern portion of the subject property contains a lumber shed, an auto sales and service facility, and a woodworking facility. The northern portion of the property contains commercial and residential buildings. In addition, there is a gasoline tank associated with the subject property buried beneath Kisco Avenue.

The site is bordered to the east by a rail line, to the south by a small street followed by a building supplies company, to the west by Kisco Avenue followed by residences and a tin smith, and to the north by the Young & Halsted coal and building materials company.

1971 Sanborn Map

The subject property is developed with the present-day, two-story commercial building and two (2) single-story warehouse buildings. The warehouse buildings are labeled as *lumber storage* and *NYC Freight House*, which is utilized by Young & Harlstead coal and building materials company. An additional office and storage building is present on the northern portion of the property. In addition, the site contains a lumber yard.

There is a rail line along the eastern border of the property.

- B. Aerial Photographs** of the site and immediate area were available for the years 1941, 1953, 1964, 1971, 1974, 1989, 1994, 2006, 2009 and 2011. The photos indicate the following information:

This section of Mount Kisco has been developed with residential and commercial buildings from 1941 through the latest aerial photo available (2011).

C. City Directories

City Directories were ordered for the site (See Appendix A). The search indicated the following:

- | | |
|------|--|
| 2013 | Ceradini Phillip
Doody Calls
Joseph Larizza Landscaping & Excavat
Richards Home Center & Lumber Inc
Thruway Plumbing & Heating |
| 2008 | Adamo Landscape Inc
Angelilli Construction Corp
RCM Construction Management Co
Richards Lumber & Building MATERIA |
| 1999 | Angelilli Construction Corp
Boilers Incorporated
Boys & Girls Club of Northern Westchester
Carmody Incorporated
Richards Home Center & Lumber Incorporated
Servicetech of Westchester |
| 1993 | Carmody Constr Crp
Chmpn Cnstrctn Mgt
Don Kelly & Assoc
Hammer Drftng Svc
Richards Home Ctr
This End Up Furn |
| 1988 | Carmody Constr Crp
Don Kelly & Assoc
Richards Home Ctr
This End Up Furn |
| 1983 | Gage-Babcock & Assoc
Hack- Schaefer- Tcknr
Holbrook & Assoc
Frederick Peterson |

1978 Don Stirling Inc
Financial Management
Gage-Babcock & Assoc
Gem Construction
William J Heron
Pucciarelli RI Est

1973 Fincl Life Ins Co
Gage & Assocs

D. Topographic Maps

A topographic map (topo) is a color coded line-and-symbol representation of natural and selected artificial features plotted to a scale. Topos show the shape, elevation, and development of the terrain in precise detail by using contour lines and color coded symbols. The colors of the lines usually indicate similar classes of information. For example, topographic contours (brown); lakes, streams, irrigation ditches, etc. (blue); land grids and important roads (red); secondary roads and trails, railroads, boundaries, etc. (black).

Historical topographic maps are a valuable historical resource for documenting the prior use of a property and its surrounding area.

Topographic Maps of the site and immediate area were available for the years 1899, 1943, 1955, 1971, 1975, 1998.

4.5.4A DATA GAPS

No significant data gaps were noted within the historical research conducted by Merritt Environmental Consulting Corp (MECC).

4.5.5 HISTORICAL USE INFORMATION ON ADJOINING PROPERTIES

The above historical sources were reviewed by Merritt Environmental Consulting Corp. (MECC) for the adjoining properties on the north, south, east & west.

Historical uses of the adjoining properties include coal and lumber yards, woodworking and metalworking facilities, and a rail line bordering the subject property to the east.

4.6) SITE RECONNAISSANCE

4.6.1 METHODOLOGY AND LIMITING CONDITIONS

At the time of our inspection, the following areas were accessed by Mr. John Perotti, of our staff: ground floor, second floor, utilities areas, warehouse, retail space, side paved parking lots, and all accessible exterior areas of the site.

4.6.2 GENERAL SITE SETTING

East side of Kisco Ave
Topography is hilly

4.6.3 EXTERIOR OBSERVATIONS

No potential environmental conditions such as, dead vegetation, gas/chemical spills or storage drums were observed throughout the exterior areas at the time of our inspection.

4.6.4 INTERIOR OBSERVATIONS

The interior inspection revealed no evidence of any on-site staining of petroleum products, chemicals, or other hazardous materials.

4.6.5 UNDERGROUND STORAGE TANKS (UST) AND DRUMS

Each year, thousands of petroleum leaks and spills are reported to the Department of Environmental Conservation (DEC). Thousands of others may go unreported mainly because they have not yet been discovered. These leaks can enter the ground, seep into an aquifer and contaminate a water supply. In some places, water wells have been closed down and people have had to vacate their homes. Even small amounts of petroleum in soil or groundwater can be tasted or smelled and can subsequently affect health.

Leaking petroleum storage tanks are a major source of groundwater contamination. The DEC estimates that there may be as many as 185,000 tanks storing petroleum, which are subject to state regulations. Many of these tanks are bare steel and were installed underground in the 1950s and 1960s. These tanks have weakened by rust and have a fifty percent chance of developing leaks.

FINDINGS

A visual inspection and physical walkover of the property indicated that there are no signs of underground storage tanks (USTs) located on the property.

4.6.6 ABOVEGROUND STORAGE TANKS (AST)

No aboveground tanks or storage drums were observed in any of the accessible areas at the time of our inspection.

4.6.7 ELECTRICAL TRANSFORMERS (PCBs)

Transformers often contain poly-chlorinated biphenyl (PCB) Askarel coolant liquid and are generally used in hazardous locations where flammability is of concern. PCB transformers are no longer produced because of EPA's ban on the manufacture of new equipment containing PCBs. However, older equipment does remain in certain areas and may contain PCBs.

As of January, 1979, Polychlorinated Biphenyls (PCB) and other toxic materials used in fluorescent ballasts were phased out. Any building constructed prior to 1979 may contain PCB in minor quantities and is not considered a major health threat.

Further evaluation goes beyond the scope of a Phase I Environmental Report. Should you need any additional information, a technical engineer may be contacted for assistance.

FINDINGS

There is one vaulted underground electrical transformer located on the exterior of the main building along the front sidewalk. At the time of our inspection, the transformers did not demonstrate signs of leaking. No staining or dead vegetation was observed adjacent to the transformers.

As per the Toxic Substance Control Act (TSCA), the transformer owner, i.e. the utility company, is responsible for all transformer maintenance and all spills of PCBs from their transformers.

Fluorescent light fixtures were not inspected for PCB content under the scope of this assessment.

4.6.8 NATURAL GAS

There is one underground gas main entering the building from Kisco Avenue. The main is connected to a meter located on the ground floor. The gas is then distributed throughout the building by branch lines of black iron pipe.

Gas service is provided by Con Edison.

4.6.9 VAPOR ENCROACHMENT /VAPOR INTRUSION CONDITION

A Vapor Encroachment Condition (VEC) is defined by ASTM E2600-10 as “the presence or likely presence of contaminant of concern (COC) vapors in the subsurface of the Target Property (TP) caused by the release of vapors from the contaminated soil or groundwater or both either on or near the TP”.

Vapor Intrusion (VI) occurs when contaminant of concern (COC) vapors enter a structure from the subsurface and impact the indoor air quality (IAQ) of a building. At high enough concentrations, vapor intrusion may present a health risk to the building’s occupants.

MECC conducted a review of historical resources and regulatory database listings to identify any potential sources of contamination at the subject site that may result in Vapor Encroachment or Vapor Intrusion. In addition, MECC has reviewed available information for surrounding properties within the appropriate search distances to identify potential sources of a VEC/VIC at the subject site.

This is not intended to meet the criteria of a Vapor Encroachment Screen (VES) as outlined by ASTM E2600-10 Standard Guide for Vapor Encroachment Screening on Property Involved in Real Estate Transaction. This is beyond the scope of a Phase I ESA.

FINDINGS:

Based on historical Sanborn fire insurance maps, the subject property has historically been occupied by a lumber mill, a garage, a painting shop, coal and wood sheds, an auto sales/service facility, and a woodworking facility. Without the benefit of a subsurface investigation we cannot determine if any contamination is present or if a Potential Vapor Encroachment Condition (PVEC) exists from the former site usage.

Utilizing the information provided by EDR, MECC has researched within the appropriate search distances to identify any potential sources of a VEC within the minimum search distances outlined in the ASTM E2600-10 Standard.

Based on historical Sanborn fire insurance maps, historical uses of the adjoining properties include coal and lumber yards, woodworking and metalworking facilities, and a rail line bordering the subject property to the east.

Without the benefit of a subsurface investigation we cannot determine if any contamination is present or if a Potential Vapor Encroachment Condition (PVEC) exists. However, any contamination discovered would need to be remediated by the responsible party.

4.6.10 NON-SCOPE ASTM CONSIDERATIONS

There may be environmental issues or conditions at a property that parties may wish to assess in connection with commercial real estate that are outside the scope of this practice (the non-scope considerations). Some substances may be present on a property in quantities and under conditions that may lead to contamination of the property or of nearby properties but are not included in CERCLA's definition of hazardous substances (42 U.S.C. §9601(14)) or do not otherwise present potential CERCLA liability. In any case, they are beyond the scope of this practice. There may be standards or protocols for assessment of potential hazards and conditions associated with non-scope conditions developed by governmental entities, professional organizations, or other private entities. Asbestos-Containing Building Materials, Lead-Based Paint, and Radon are several non-scope considerations that persons may want to assess in connection with commercial real estate.

A. ASBESTOS

The EPA has identified over 3,000 products used in buildings containing asbestos fibers. Our inspection of the premises is to determine the presence of **friable asbestos**, as defined by the Federal Environmental Protection Agency as any material, which may be pulverized with hand pressure. This material has the potential to release asbestos fibers into the atmosphere and in turn may be hazardous to the building occupants' health.

We have not inspected for or included in our report any building materials, which may contain non-friable asbestos such as vinyl asbestos floor tiles, exterior asbestos shingles, asbestos roofing felts, etc. Many of these materials are still manufactured today and not considered hazardous unless the material is cut, sawed, or grounded in a manner that might release asbestos fibers into the atmosphere.

We have used the 4-category system as defined by Asbestos Hazardous Emergency Response Act (AHERA) to designate the different conditions of asbestos noted throughout the areas of the site. This report is not designed to meet the AHERA protocols.

1. Good Condition
Material with no visible damage or deterioration to very limited damage or deterioration.
2. Fair Condition
Material with one or more of the following characteristics:
 - A few water stains or less than one tenth of insulation with missing jackets.
 - Crushed insulation or water stains, gouges, puncture or mars on up to one tenth of the insulation if the damage is evenly distributed (or up to one quarter if the damage is localized).
3. Poor Condition
Material with one or more of the following characteristics:
 - Missing jackets on at least one tenth of the piping equipment.
 - Crushed or heavily gouged or punctured insulation on at least one tenth of pipe runs/risers, boiler, tank duct, etc., if the damage is evenly distributed (one quarter if the damage is localized).

4. Significantly Damaged

Thermal systems insulation on pipes, boilers, tanks, ducts, and other thermal system insulation equipment which the insulation has lost its structural integrity, or its covering, in whole or in part, is crushed, water-stained, gouged, punctured, missing, or not intact such that is not able to contain fibers. Damage may be further illustrated by occasional puncture, gouges, or other signs of physical injury to ACM; occasional water damage on the protective coverings/jackets; or exposed ACM ends or joints. Asbestos debris, originating from the ACM in question may also indicate damage.

ASBESTOS FINDINGS

No friable asbestos containing material was observed in any of the accessible areas of the buildings.

Many buildings' fireproofing is concealed in a plenum above the ceiling. These areas were not accessible and, therefore, we are unable to determine the type of fireproofing for those areas above the first floor.

B. LEAD BASED PAINT

Lead-based paint (LBP) was used extensively in buildings and structures that were constructed prior to 1978 and can be hazardous when damaged (i.e., chipped, broken, crumbling, pulverized); lead is toxic to humans particularly to children, if ingested, inhaled, or otherwise absorbed. Exposure to lead can cause health problems in children ranging from damage to the brain and nervous system, behavioral and learning problems (such as hyperactivity), slowed growth, hearing problems and headaches. In adults the health problems can range from difficulties during pregnancy, other reproductive problems, high blood pressure, digestive problems, nerve disorders, memory and concentration problems and muscle and joint pain.

Our research indicates the building was constructed **after 1978**, and lead paint is not assumed to be present throughout the building.

FINDINGS

The painted surface in the common areas inspected by Merritt Environmental Consulting Corp's staff did not demonstrate signs of peeling or cracking. No samples of the paint were analyzed since this is beyond the scope of this Assessment.

A lead based paint survey in accordance with The Housing & Urban Development (HUD) guidelines was not conducted under the scope of this assessment.

C. MOLD

Our on-site inspection did not reveal any visible evidence of mold or mold spores in any of the accessible areas inspected.

D. RADON

Radon first gained national attention in early 1984, when extremely high levels of indoor radon were found in areas of Connecticut, Pennsylvania, New Jersey, and New York. Radon is a colorless, odorless radioactive gas. Nearly one out of every 15 homes in the U.S. is estimated to have elevated annual average levels of indoor radon. EPA established a Radon Program in 1985 to assist States and homeowners in reducing their risk of lung cancer from indoor radon.

FINDINGS

The New York State Department of Health indicates the average radon level for this area of Westchester County to be 2.4 picocuries per liter (pCi/L), which is below the EPA action level of 4 pCi/L.

A radon canister was not initiated at the time of our inspection since this is beyond the scope of this assessment.

4.7) INTERVIEWS

4.7.1 INTERVIEW WITH OWNER

During our on-site visit, we interviewed Paul Carozza, who is the building owner and associated with the site for 30 years.

Copies of the above records of communications are included in Appendices, Section 10.6 (Owners Questionnaire).

4.7.2 INTERVIEW WITH SITE REPRESENTATIVE

No site representative other than the owner was interviewed.

4.7.3 INTERVIEWS WITH OCCUPANTS (TENANTS)

No other individuals were interviewed regarding the facility.

4.7.4 INTERVIEWS WITH LOCAL GOVERNMENT OFFICIALS

We are researching the Westchester County Health Department records for any information of hazardous operations including, past spills, leaks or violations. The Health Department information has not yet been provided. We will forward any information that appears to impact the scope of this assessment.

4.7.5 INTERVIEWS WITH OTHERS

No additional interviews were conducted as part of this assessment.

A questionnaire was forwarded to Mr. Ayush Kapahi on November 6, 2013. We have not yet received a completed questionnaire (See Appendix A).

4.8) REPORT FINDINGS

Based on our site reconnaissance, database review and historical investigation, the following Recognized Environmental Conditions (RECs) were noted at the time of our inspection.

A Recognized Environmental Condition means the presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substance or petroleum products into structures on the property or into the ground, groundwater, or surface water of the property. The term includes hazardous substances or petroleum products even under compliance with laws.

ITEM

1	The current site consists of two (2) one-story warehouse buildings and one (1) two-story commercial/office building. Based on historical Sanborn fire insurance maps, the subject property has historically been occupied by a lumber mill, a garage, a painting shop, coal and wood sheds, an auto sales/service facility, and a woodworking facility. Without the benefit of a subsurface investigation we cannot determine if any contamination is present or if a Potential Vapor Encroachment Condition (PVEC) exists from the former site usage.
2	Historical Sanborn maps from 1916 to 1949 depict a 250-gallon gasoline tank associated with the subject property buried beneath Kisco Avenue. In addition, the 1916 map depicts the northeast portion of the subject property to contain a Standard Oil Company oil tank approximately 20 feet in diameter. Further evaluation is recommended to determine whether documentation regarding these tanks is available or if additional investigation (Phase II) is warranted.

NOTE: ADJOINING PROPERTIES

Based on historical Sanborn fire insurance maps, historical uses of the adjoining properties include coal and lumber yards, woodworking and metalworking facilities, and a rail line bordering the subject property to the east.

Our regulatory database review revealed no open spill events in the immediate vicinity of the subject property. In addition, any contamination discovered at the subject property originating at an adjoining property would need to be remediated by the responsible party.

In addition, no de minimis conditions were noted.

A de minimis condition is one that generally does not present a material risk of harm to public health or the environment and that generally would not be subject of an enforcement action if brought to the attention of appropriate governmental agencies (excluding local asbestos & lead situations).

The following Historical Recognized Environmental Conditions (HRECs) were identified in our database search/historical review.

A Historical Recognized Environmental Condition (HREC) is an environmental condition which in the past would have been considered a Recognized Environmental Condition (REC), but which may or may not be considered a recognized environmental condition currently. Such as a past release of any hazardous substances or petroleum products which has been remediated, with such remediation accepted by the responsible regulatory agency (for example, as evidenced by the issuance of a no further action letter or equivalent).

Two (2) Spill events occurred at the target property:

- | | |
|---|---|
| <p>1) Richards Home Center
 105 Kisco Ave
 Spill #9708149
 Spill Date: 10/8/1997
 Close Date: 2/23/2006
 Remarks: During initial investigation at back portion of property, soil samples indicated strong odors of petroleum.</p> | <p>2) Richards Home Center
 105 Kisco Ave
 Spill #1207041
 Spill Date: 10/17/12
 Close Date: 12/13/2012
 DEC Memo: 2 pallets full of 1 gallon latex paint cans. Several looked like they were used for target practice, paint oozing from bullet holes.</p> |
|---|---|

The spill cases have been closed by the New York State Department of Environmental Conservation (NYSDEC). On November 19, 2013, MECC submitted a Freedom of Information request to the NYSDEC for additional information regarding the subject property. The response received consists of the spill report forms, which confirm the above information.

4.9 OPINIONS

Based on our site reconnaissance, database review, historical review and interviews with persons familiar with the subject site and adjacent properties, the above Recognized Environmental Conditions (RECs) were identified under the scope of services outlined in Section 4.2.2.

Based on our site reconnaissance, database review, historical review and interviews with persons familiar with the subject site and adjacent properties, no de minimis conditions were identified under the scope of services outlined in Section 4.2.2.

Since the Historical Recognized Environmental Conditions (HRECs) have been addressed, they do not appear to impact the site.

4.10 CONCLUSION

Merritt Environmental Consulting Corp has performed a Phase I Environmental Site Assessment (ESA) in conformance with the scope and limitations of ASTM Practice E1527 of 105-107 Kisco Avenue, Mt. Kisco, New York, the property. Any exceptions to, or deletions from, this practice are

described in Section [4.2.2] of this report.

4.11 DEVIATIONS

The assessment was performed in accordance with the ASTM 1527-05 Standards as well as the detailed scope of services outlined in section 4.2.2 of this report.

4.12 ADDITIONAL SERVICES

No additional services were performed beyond the detailed scope of services in section 4.2.2.

4.13 REFERENCES

All references relied upon are located in Appendix A.

4.14 SIGNATURE OF ENVIRONMENTAL PROFESSIONAL

We thank you for allowing Merritt Environmental Consulting Corp., to serve as your Environmental Consultant for this project. We declare that, to the best of our professional knowledge and belief, we meet the definition of Environmental Professional as defined in §312.10 of 40 CFR 312, and

We have the specific qualifications based on education, training, and experience to assess a property of the nature, history, and setting of the subject property. We have developed and performed the "All Appropriate Inquiries" in conformance with the standards and practices set forth in 40 CFR Part 312.

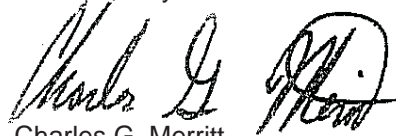
Should you have any questions regarding the contents of this report, please feel free to contact us to discuss the report in further detail.

Site Inspector:



John Perotti
Certified Environmental Specialist

Reviewed by:



Charles G. Merritt
Certified Environmental Specialist /LEED AP

4.15 QUALIFICATIONS

See Appendix A



APPENDICES

- Site Photography
- Site Vicinity Map
- Regulatory Records Documentation
- Historical Research Documentation
- Interview Documentation
- Qualifications
- Special Contractual Conditions between User & Environmental Professional (If Applicable)
- Historical Recognized Environmental Conditions (HREC) documentation provided (If Applicable)
- Additional Information obtained

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Resume

Mr. Charles G. Merritt President

As Merritt Environmental Consulting Corp.'s Principal and Senior Certified Environmental Specialist (CES), Mr. Merritt supervises all aspects of environmental assessments (Phase I & Transaction Screen) reports. These assessments include on site property evaluations, site interviews, reviews of regulatory data, and public records to identify environmental concerns. Mr. Merritt has received extensive training, professional certifications, and over 19 years of industry experience; providing a range of diversified environmental services for a wide variety of clients.

Areas of Expertise:

- Phase I Environmental Site Assessments (ESA) E1527-00 & E1527-05 (All Appropriate Inquiry "AAI" standards)
- Provide peer review of environmental reports for lending institutions
- Supervise Site Remediations
- Review of all Environmental Reports prepared
- Client Liaison

Professional Experience:

- Conduct Environmental Site Assessments (ESA's) for lending institutions, property owners, insurance companies and private investors conducting due diligence investigations
- Perform asbestos, lead-based paint, mold and radon surveys

Education/Certificates/Membership

- Adelphi University
Bachelor of Business Administration **May 1988**

Certifications and Affiliation:

- LEED AP
- ASTM Technical & Professional Training
- Certified Environmental Specialist (CES) EAA #10770

Staff Resume

***Mr. John Perotti
Project Manager***

As an experienced Certified Environmental Specialist (CES), Mr. Perotti performs Phase I Environmental Site Assessments (ESA) and Transaction Screens for the Tri-State region. The environmental assessments include on site property inspections, reviews of regulatory data, and historical data to identify environmental concerns.

Areas of Expertise:

- Phase I Environmental Site Assessments (ESA) E1527-05
- Environmental Transaction Screens
- Asbestos and Lead Investigation

Professional Experience:

- Conduct environmental site assessments for 20 years for lending institutions, property owners and other private clients conducting due diligence.

Education/Certificates/Membership

- Certified Environmental Specialist (EAA) #73426
- New York State Asbestos Inspector
- New York State Asbestos Project Manager
- New York State Asbestos Air Monitor
- New York State Asbestos Supervisor
- EPA Certification for Lead Based Paint Supervisor
- ASTM 1527-05 "All Appropriate Inquiry" qualified environmental professional